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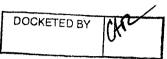
NEW APPLICATION

ORIGINAL

TYTOTE SPITZET Commissioner - Chairman 2 Jim Irvin Commissioner 3 William A. Mundell Commissioner 4 Jeff Hatch-Miller Commissioner 5 Mike Gleason Commissioner

Arizona Corporation Commission DOCKETED

AUG 1 2 2003



RECEIVED

2003 AUG 12 P 2: 57

W-01445A-03-0559

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION OF ARIZONA WATER COMPANY, AN ARIZONA CORPORATION, TO EXTEND ITS EXISTING CERTIFICATE OF CONVENIENCE AND NECESSITY AT CASA GRANDE, PINAL COUNTY, ARIZONA

DOCKET NO. W-01445A-03-

APPLICATION TO EXTEND **EXISTING CERTIFICATE OF** CONVENIENCE AND NECESSITY TO INCLUDE ADDITIONAL TERRITORY

ARIZONA WATER COMPANY, an Arizona corporation, ("AWC") through its undersigned counsel, presents the following Application to extend its existing certificate of convenience and necessity for its Casa Grande system. This Application is based on the following:

- 1. AWC presently holds certificates of convenience and necessity issued to it by this Commission in various decisions beginning in 1955 for the purpose of providing water service in the City of Casa Grande and the surrounding area in Pinal County.
- 2. The area that AWC seeks to add to its certificated area is described in Exhibit #1. which is attached hereto and incorporated by reference herein. Much of the area surrounding the area described in Exhibit #1 is certificated to and served by AWC. Harvard Investments and Core Group Consultants Ltd., entities that plan to acquire and develop a portion of the property described in Exhibit #1, have requested that AWC provide water service to the property they

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ORIGINAL

plan to acquire and to apply to the Commission for authority to include the property within AWC's certificated area. Copies of letters from Harvard Investments and Core Group Consultants Ltd. are attached hereto as Exhibit #2 and incorporated by reference herein.

- 3. AWC estimates that the total number of customers that may be served in the area described in Exhibit #1 will be approximately 560 within five years following the date of the filing of this Application.
- 4. A map showing the adjacent portions of AWC's present certificated area, the anticipated 12" main extension to serve the developments, and the proposed additional territory is attached hereto as Exhibit #3 and incorporated by reference herein.
- 5. A list of the owners of all of the property described in Exhibit #1 is attached hereto as Exhibit #4. Each property owner will be mailed the public notice attached hereto as Exhibit #5.
- 6. AWC is financially able to construct, operate, and maintain the facilities necessary to provide service to the area described in Exhibit #1. A current financial statement for AWC is attached hereto as Exhibit #6 and incorporated by reference herein.
- 7. AWC holds the necessary Pinal County franchise for the area for which it is proposing to extend its certificate of convenience and necessity. A copy of the franchise is attached hereto as Exhibit #7 and incorporated by reference herein.
- 8. AWC's by-laws do not require a corporate resolution on behalf of AWC in conjunction with this Application.
- 9. Public convenience and necessity will be served by having AWC extend its certificate of convenience and necessity to include the area described in Exhibit #1.

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1	10. AWC proposes to utilize its currently authorized rates and charges for its Casa
2	Grande system for service to the area described in Exhibit #1. AWC will continue to charge
3	these rates until the Commission changes the rates.
4	WHEREFORE, AWC respectfully requests that the Commission hold a hearing on this
5	Application, and enter an order, or, in the alternative, that it enter an order without the necessity
6	of a hearing, which order shall provide for the following relief:
7 8	Issuing to AWC a certificate of convenience and necessity for the area described in
9	Exhibit #1 hereto.
10	2. Granting such other further and general relief as appropriate in the premises.
11	RESPECTFULLY SUBMITTED this 244 day of, August 2003.
12	ARIZONA WATER COMPANY
13	
14	
15	By: Kokut W. Seake Robert W. Geake
16	Vice President and General Counsel ARIZONA WATER COMPANY
17	Post Office Box 29006 Phoenix, Arizona 85038-9006
18	
19	Original and thirteen (13) copies of the foregoing filed the 2 day of 44254, 2003 with:
20 21	Docket Control Division Arizona Corporation Commission
22	1200 West Washington Street Phoenix, Arizona 85007
23	A copy of the foregoing was mailed this 22 day of Prayst, 2003 to:
24	Christopher Kempley, Chief Counsel
25	Legal Division Arizona Corporation Commission 1200 West Washington Street
26	1200 West Washington Street Phoenix, Arizona 85007
27	

Ernest G. Johnson Director, Utilities Division Arizona Corporation Commission 1200 West Washington Street Phoenix, Arizona 85007

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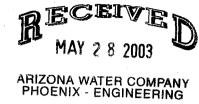
EXHIBIT '#1'

Sections 19, 20, 21, 22, 23, W½ 24, W½ 25, 26, 27, 28, 29, & 30, all in Township 6 South, Range 7 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

7600 E. Doubletree Ranch Rd., Ste. 220 Scottsdale, Arizona 85258 480 / 348.8976 Fax

480 / 348.1118 🏗





May 24, 2003

Mr. Michael Whitehead, Vice President, Engineering Arizona Water Company P. O. Box 29006 Phoenix, Arizona 85038

Re: Expansion of CCN

Dear Mr. Whitehead:

We are acquiring 480 acres in Pinal County on the south side of Highway 287 between Overfield and Toltec Buttes Roads. Specifically, the Northeast Quarter and South Half of Section 29, T6S, R7E of the Gila and Salt River Base and Meridian. We would like Arizona Water Company to provide water service to the property. Please advise as to how we should proceed in this matter. Thank you.

Sincerely,

Christopher J. Cacheris

CoreGroup

Arizona Water Company 3805 Black Canyon Highway Phoenix, Arizona 85015-5351 Date: June 17, 2003 Our File: 1154

Attention: James T. Wilson

Engineer

Dear Sir:



ARIZONA WATER COMPANY PHOENIX - ENGINEERING

RE: FLORENCE COUNTRY ESTATES HIGHWAY 287 AND CURRY ROAD

CC&N/LINE EXTENSION APPLICATION

Please find enclosed a copy of our water plans for Florence Country Estates in Pinal County, AZ. These plans contain the designs for the on-site distribution system as well as an off-site water main along Highway 287 that connects with Arizona Water Company's existing 8" water main at Eleven Mile Corner.

At this time we would like to formally apply to have our proposed subdivision brought into Arizona Water Company's service area included within your Certificate of Convenience and Necessity ("CC&N") for Casa Grande, AZ. Additionally we would like to initiate the process of creating a line extension agreement for our proposed off-site water main.

We submitted our application for a Certificate of Assured Water Supply to the Arizona Department of Water Resources last week and have included a copy for your records.

Our client has asked that we use AWWA C-900 PVC pipe for our water mains. We would be grateful is you could review the use of this material instead of ductile iron pipe.

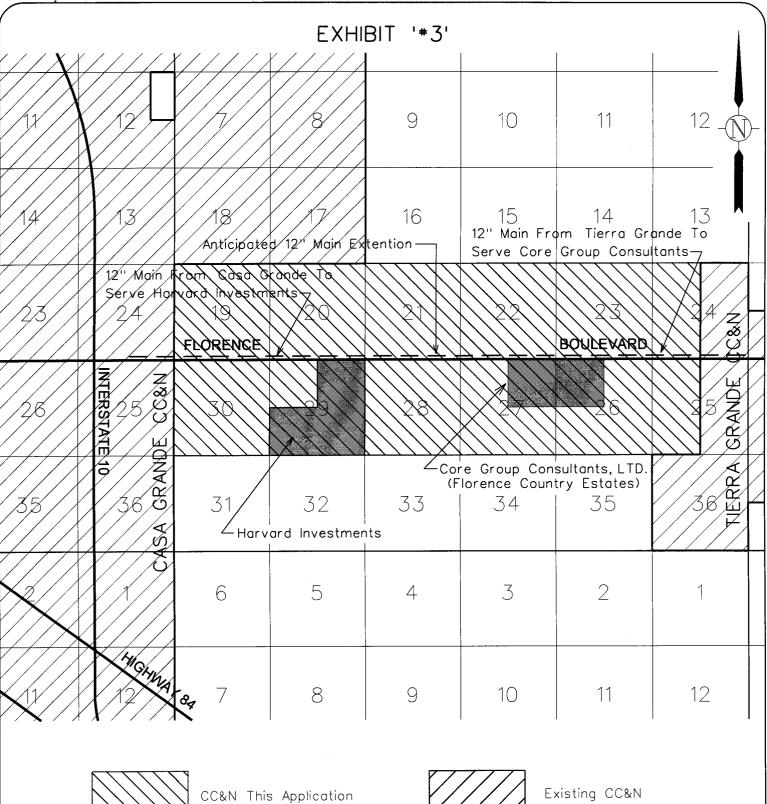
Should you require additional information please contact me at (602) 778-6876.

Yours truly,

CORE GROUP CONSULTANTS LTD

Per;

Eric Stephenson E.I.T. (BC)







Existing CC&N

ARIZONA WATER COMPANY

DESCRIPTION: Certificate Of Convenience & Necessity Extension In The Casa Grande Area

LOCATION: TOWNSHIP 6 SOUTH, RANGE 7 EAST

DATE: SCALE: DRAWN BY: 06.16.2003 1''= 1 Mile СВ

EXHIBIT '#4'

401-01-045B 401-01-045C 401-01-045D 401-01-049 401-11-007 401-11-008A 401-11-008B 401-11-008C 401-11-008D 401-11-008E 401-11-009 401-01-070 James K. & Janet B. Henness P.O. Box 10004 Casa Grande, AZ 85230 401-01-045E Jack K. Henness 5738 East Highway 287 Casa Grande, AZ 85222 401-01-046 401-01-048C 401-01-048D 401-16-001A Markwood Enterprises Limited Partnership 21411 South Cooper Road Chandler, AZ 85249 401-01-047 401-16-002A 401-16-002B Bonnie Lou Gladden Trust 8133 West Highway 287 Casa Grande, AZ 85222 401-10-001B 401-12-014G **DU Brook Investment** 3730 North Overfield Road

Casa Grande, AZ 85222

401-10-001C 401-10-001D 401-10-001E Robert M. & Shirley M. Davis P.O. Box 11291 Casa Grande, AZ 85230

401-10-003A Barnes & Barnes Limited 7305 West Selma Highway Casa Grande, AZ 85222

401-10-003B Roy D. Melick Jr. 542 North Azurite Way Casa Grande, AZ 85222

401-10-004 401-10-005A 401-10-005B 401-17-001 401-17-008E 401-17-008F B. Douglas Gladden Trust 8133 West Highway 287 Casa Grande, AZ 85222

401-16-001B State Of Arizona 1616 West Adams Street Phoenix, AZ 85007

401-16-004 Post Investments Limited Partnership 2406 West Galveston Street Chandler, AZ 85224

401-17-002C 401-17-004A El Paso Natural Gas P.O. Box 4372 Houston, TX 77210 401-17-003B Timothy M. & Vicky Lyn Hoyt 173 South Hacienda Road Casa Grande, AZ 85222

401-17-003F David & Hortencia Villarreal 263 South Hacienda Road Casa Grande, AZ 85222

401-17-003G Arnold & Maria E. Villarreal 339 South Hacienda Road Casa Grande, AZ 85222

401-17-004C Arizona Production Machinery & Supply 8901 West Highway 287 Casa Grande, AZ 85222

401-17-005 Branja 110, LLC 30 West 1st Street B Mesa, AZ 85201

401-17-007 Florence & I-10 Property Limited Partnership 5141 North 40th Street Phoenix, AZ 85018

401-11-001A 401-11-001B 401-11-001C 401-11-004 401-11-010 401-11-012 401-01-052A Green Acres Farms, LTD 371 North Signal Peak Road Casa Grande, AZ 85222

401-11-005A Pearl M. Wallace Trust 5238 West Highway 287 Casa Grande, AZ 85222 401-11-005B Jesse & Patricia Garza P.O. Box 3058 Casa Grande, AZ 85222

401-01-050

401-01-054

401-01-055

401-01-056

401-72-007A

401-72-005

401-72-009

401-14-004

401-15-001B

401-15-004

401-01-067

John A. Roberts

2306 West Highway 287

Casa Grande, AZ 85222

401-01-051

Max A. Nichols

Angela J. Bolt

P.O. Box 667

Eloy, AZ 85231

401-01-052B

Cameron & Sydney S. Sides 371 North Signal Peak Road Casa Grande, AZ 85222

401-01-053A

Andy & Julie Dobson 23015 South 132nd Street Chandler, AZ 85249

401-01-053B D'wayne Sherwood

19245 South McQueen Road

Chandler, AZ 85249

401-01-053D 401-01-057 HLN Ventures, LLP 17630 East Chandler Heights Gilbert, AZ 85297

401-01-053E 401-01-053F 401-01-053G 401-01-053H 401-01-053J Alan & Robin Ward 697 North Lola Lee Road Casa Grande, AZ 85222

401-72-006A 401-15-001D Lonesome Valley Farms Limited Partnership 1800 West Highway 287 Casa Grande, AZ 85222

401-72-001A Mark & Mark, LLC 3062 East Robin Lane Gilbert, AZ 85296

401-72-004 Nesline Hartfield Living Trust 1120 East 1st Street Casa Grande, AZ 85222

401-72-006B Alice G. Robertson Trust 1800 West Highway 287 Casa Grande, AZ 85222

401-12-001 ARMA Membership Benefits, Inc 810 West Bethany Home Road Phoenix, AZ 85013 401-12-002F 401-12-014F 401-12-015B 401-12-015A Sidewinder Dairy, Inc. 3730 North Overfield Road Casa Grande, AZ 85222

401-12-014C Nelson S. & Richard J. Jutzi 4531 North 16th Street #103 Phoenix, AZ 85016

401-14-003H Apache Canyon Land Company 1832 East Lexington Avenue Gilbert, AZ 85234

401-14-003E Kurt Lorensen 2181 84th Avenue SW Sebeka, MN 56477

401-14-003F Pasture Properties, LLC 1845 East Enrose Mesa, AZ 85203

401-14-003G Archie P. & Sherri L. Shamp 2818 16th Avenue SW Pine River, MN 56474

401-15-001C 401-01-064 Patricia Jo Robertson P.O. Box 68 Coolidge, AZ 85228

401-15-002 Whatley Farms, LP 805 South Buckholt Road Caney, OK 74533 401-15-003 Curry Road Farms, LP 428 North Curry Road Casa Grande, AZ 85222

401-01-065 401-01-066 401-01-068 401-01-069 401-01-072 401-01-073 John H. & Gloria B. Dermer 1100 North Lehmberg Avenue

401-01-071 Van Rijn Dairy 20102 East Warner Road Mesa, AZ 85212

Casa Grande, AZ 85222

EXHIBIT "5"

ARIZONA WATER COMPANY

3805 N. BLACK CANYON HIGHWAY, PHOENIX, ARIZONA 85015-5351 • P.O. BOX 29006, PHOENIX, ARIZONA 85038-9006 PHONE: (602) 240-6860 • FAX: (602) 240-6878

[Date]

«PropertyOwner» «Address1» «Address2» «City» «State» «PostalCode»

PINAL COUNTY ASSESSOR'S PARCEL NO.: «ParcelNumber»

PUBLIC NOTICE OF AN APPLICATION FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY BY ARIZONA WATER COMPANY

Arizona Water Company has filed with the Arizona Corporation Commission ("Commission") an application for authority to provide water utility service to an area in which records indicate that you are a property owner. If the application is granted, Arizona Water Company would be the provider of water utility service to the proposed area. The Commission will require Arizona Water Company to provide this service under rates and charges and terms and conditions established by the Commission. The application is available for inspection during regular business hours at the offices of the Commission at 1200 West Washington Street, Phoenix, Arizona, and at Arizona Water Company, 220 East 2nd Street, Casa Grande, Arizona.

The Commission will hold a hearing on this matter. As a property owner you may have the right to intervene in the proceeding. If you do not want to intervene, you may appear at the hearing and make a statement on your own behalf. You may contact the Commission at the address and telephone number listed below for the date and time of the hearing and for more information on intervention. You may not receive any further notice of the proceeding unless you request it.

If you have questions or concerns about this application, have any objection to its approval, or wish to make a statement in support of it, you may contact the Consumer Services Section of the Arizona Corporation Commission at 1200 West Washington St., Phoenix, Arizona 85007 or call 1-800-222-7000.

WILLIAM M. GARFIELD

Willeam M. Mafill

President

E-MAIL: mail@azwater.com

MAY 2003

ARIZONA WATER COMPANY Comparative Statement of Income May 31, 2003

	12 MONT	12 MONTHS TO DATE		MAY	5 Mont	5 Months to Date
	2003	2002	2003	2002	2003	2002
OPERATING REVENUE	\$ 36,952,282	\$ 34,758,092	\$ 3,136,703	\$ 3,243,039	\$ 13,541,713	\$ 13,469,493
OPERATING EXPENSES Operation and Maintenance Depreciation Taxes Other Than income Taxes	17,357,846 4,342,788 5,315,703 2,611,295	16,169,339 4,037,527 5,124,880 2,893,325	1,720,703 380,001 470,931 (13,975)	1,596,129 354,377 478,155 75,249	7,082,158 1,905,194 2,123,522 552,222	6,625,068 1,773,160 2,089,376 724,230
Total Operating Expenses	29,627,632	28,225,071	2,557,660	2,503,910	11,663,096	11,211,834
OPERATING INCOME	7,324,650	6,533,021	579,043	739,129	1,878,617	2,257,659
OTHER (INCOME) AND DEDUCTIONS Other (Income) - Net Interest on Long-Term Debt Other Interest and Amortization	(315,478) 1,907,967 (110,849)	106,451 1,944,965 (387,262)	(35,367) 158,484 (5,402)	(13,856) (161,566 (3,818)	(102,469) 792,417 (41,427)	(86,520) 807,833 (27,356)
Total Other (Income) and Deductions	1,481,640	1,664,154	117,715	143,892	648,521	693,957
NET INCOME	5,843,010	4,868,867	\$ 461,328 ========	595,237	\$ 1,230,096	\$ 1,563,702
Regular Common Dividends	3,086,100	2,929,500				
INCOME RETAINED	\$ 2,756,910	\$ 1,939,367				
Active Services	696'29	65,496				EXHI

CURRENT ASSETS

Cash on Hand and in Banks
Investments and Special Deposits
Accounts Receivable
Materials and Supplies

Gross Utility Plant Less Accumulated Depreciation

UTILITY PLANT

Net Utility Plant

Total Current Assets

Other

DEFERRED DEBITS

TOTAL

Common Stock Equity Long-Term Debt

Common Stock Capital Surplus Retained Eamings

CAPITALIZATION

Total Capitalization

CURRENT LIABILITIES

Notes Payable

IAY :

OTAL

Advances for Construction Contributions in Aid of Construction Deferred Income Tax Other

Total Deferred Credits

Total Current Liabilities

DEFERRED CREDITS

Accounts Payable Accrued Expenses Other

1268-263

FRANCHISE

SE IT RESOLVED by the Board of Supervisors, County of Pinal, State of Artzona:

THAT WHEREAS, Arizona Mater Company, an Arizona corporation, has duly filed and presented its application that it be granted the right, privilege and franchise to construct, maintain and operate upon, over, along, across and under the present and future streets, avenues, alleys, highways, bridges, public roads and other public places in the County of Pinal, State of Arizona, water lines, plant and system, including mains, laterals, pumps, manholes, maters, regulator stations and related equipment, facilities and appurtenances, for the purpose of supplying water for all purposes in the County of Pinal, State of Arizona, for a period of twenty-five (25) years; and

Ordered that public notice of the intention of said Board to make such grant be given by publishing a notice in the Florence Reminder & Blade-Tribung apparatus per of general circulation published in the City of Chan. County of Pinal. State of Arizona. Stating that at 10:00 o'clock A.H., on the 4th day of February 1985, at the Courthouse in the City of Florence. County of Pinal. State of Arizona, was set for the time and place for the consideration of the granting of said right, privilege, and franchise: and

SECTION 1. There is hereby granted to Arizona Mater Company, a corporation organized and existing under and by virtue of the laws of the State of Arizona. Its successors and assigns (hereinafter called "Grantee"), the right, privilege and franchise to construct, maintain and operate upon, over, along, across and under the present and future streets, avenues, alleys, highways, bridges, public roads and other public places in the County of Pinal, State of Arizona, mater lines, plant and system, including mains, laterals, pumps, manholes, meters, regulator stations and related equipment. facilities and appurtenances, for the purpose of supplying water for all

purposes in the County of Pinal. State of Arizona. Grantee's Application for Franchise 1s made a part hereof by reference thereto.

SECTION 2. All facilities to be constructed pursuant to this franchise shall be constructed and maintained in accordance with established practices with respect to such streets, avenues, alleys, highways, bridges and public places of the County of Pinal. Prior to such construction, a map showing the location of such facilities shall be submitted to such persons as may be designated by said Board of Supervisors.

SECTION 3. In the event that any lines or related facilities installed or constructed pursuant to this franchise shall at any time be found to interfere unduly with vehicular and pedestrian traffic over such streets, avenues, alleys, highways, bridges, public roads and other public places the Grantee hereby agrees that it will, at its own expense, and within a reasonable time after notice thereof by said Board of Supervisors, remove or relocate said lines, or related facilities so as to minimize said interference. In all other instances the costs incurred in relocating any lines or facilities shall be borne by and added to the cost of the public or private improvement causing or resulting in such relocation.

SECTION 4. In the event that said Board of Supervisors, acting on behalf of the County of Pinal, takes action to dispose of unnecessary public roadways in accordance with the provisions of Arizona Revised Statutes [28-190]. et sed., said Board of Supervisors agrees to recognize and preserve each of the Grantee's prior rights of way or easements and rights under this franchise which are affected thereby, as they existed prior to such disposition, by including specific and appropriate lenguage for that purpose in any legal instrument utilized for the purpose of accomplishing such disposition.

SECTION 5. In case of any disturbance of pavement, sidewalk, driveway or other surfacing, planting or ground cover resulting from Grantee's action pursuant to this franchise. Grantee shall, in a manner entirely satisfactory to said Board of Supervisors and the department having appropriate jurisdiction, replace and restore the paving, sidewalk, driveway, surfacing, planting or ground cover of any street, alley or other public way or place so disturbed in as good condition as it was prior to said disturbance. All such work shall be completed with due diligence.

further, to avoid duplication of effort and untimely destruction of the street, the Grantee shall coordinate its construction and replacement

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plans pursuant to this franchise with said department having appropriate jurisdiction.

SECTION 6. The Grantee shall save the County of Pinal harmless from expenses, claims and liability arising by reason of the exercise of this franchise by Grantee.

SECTION 7. The right, privilege and franchise hereby granted shall continue and exist for a period of twenty-five (25) years from the effective date hereof, and upon approval by said Board of Supervisors and acceptance by the Grantee, this franchise shall be deemed effective as of the date of approval of this Application.

SECTION 8. The right, privilege and franchise hereby granted shall inure to the benefit of, and be binding upon the Grantee. Its successors and assigns.

SECTION 9. All resolutions and parts of resolutions in conflict with the provisions hereof are hereby repealed to the extent applicable to a franchised public service corporation.

SECTION 10. If any section, paragraph, subdivision, clause, phrase or provision of this resolution shall be adjudged invalid or unconstitutional, the same shall not affect the validity of this resolution as a whole or any part of the provisions hereof other than the part so adjudged to be invalid and unconstitutional.

SECTION 11. Upon the expiration of this franchise, if the Grantee shall not have accurred an extension or renewal thereof and accepted the same. It may continue operating its facilities and system within the County of Pinal until a new franchise can be effected with the County of Pinal.

Upon motion by Supervisor	Hashieson .
seconded by Supervisor	Vescheriv
the foregoing Resolution gi	ranting a Franchise to Arizona Mater
Company in the County of Pi	inal. State of Arizona. was duly passed and
adopted by the Board of S	upervisors, County of Pinal, State of
Arizona. at a regular sessi	on of said Board held on the 4th day of
February , 1985.	

1268-266

PINAL COUNTY BOARD OF SUPERVISORS

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ATTĖST:

Challe A June Clera of Supervisors:

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